

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal Activities

The Company and its subsidiaries are principally engaged in property investment, other investments and distressed assets business. Details of the principal activities of the Company's subsidiaries and the Group's associates are set out in note 47 to the financial statements.

Results and Appropriations

The results of the Group and appropriations of the Company for the year ended 31 December 2004 are set out in the consolidated income statement on page 34.

The directors recommend the payment of a final dividend of HK\$0.05 per share to the shareholders on the register of members on 26 May 2005, amounting to HK\$87,934,000.

Investment Properties and Property, Plant and Equipment

The Group's leasehold properties were revalued at 31 December 2004. The net surplus on revaluation amounting to HK\$24.1 million, of which the surplus of HK\$13.7 million was credited to the income statement to reverse the deficit previously charged to the income statement and the remaining surplus of HK\$10.4 million was credited to the asset revaluation reserve. The Group also revalued its investment properties at 31 December 2004. The surplus arising on the revaluation amounting to HK\$68.5 million was credited to the investment properties revaluation reserve.

Details of the valuation of properties and other movements of the investment properties and property, plant and equipment of the Group and of the Company during the year are set out in notes 15 and 16 to the financial statements respectively.

董事會謹提呈截至二零零四年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司及其附屬公司之主要業務為從事物業、其他投資及不良資產業務。本公司各附屬公司及本集團聯營公司之主要業務詳情載於財務報表附註47。

業績及分配

截至二零零四年十二月三十一日止年度，本集團業績及本公司之分配載於第34頁之綜合收入報表。

董事會建議派發末期股息每股5港仙予二零零五年五月二十六日名列股東名冊之股東，合共87,934,000港元。

投資物業及物業、廠房及設備

本集團租賃物業於二零零四年十二月三十一日之價值已作出重估，重估盈餘淨額達24,100,000港元，其中一筆13,700,000港元之盈餘已列作收入報表收益以回撥早前於收入報表列作支出的虧絀而餘下10,400,000港元之盈餘已賬記資產重估儲備。本集團亦已重估其投資物業於二零零四年十二月三十一日之價值，重估所產生之盈餘達68,500,000港元已撥入投資物業重估儲備。

有關物業估值之詳情與本集團以及本公司之投資物業及物業、廠房及設備於年內之其他變動分別載於財務報表附註15及16。

DIRECTORS' REPORT

Properties Held for Investment Purposes

Details of properties held by the Group for investment purposes at 31 December 2004 are set out on pages 106 to 108.

Interest in Distressed Assets

On 17 September 2004, Silver Grant International Assets Management Limited ("SGIAM"), a wholly owned subsidiary of the Company, entered into an agreement of acquisition for the non-performing loans with China Cinda, holding company of a shareholder of the Company, pursuant to which SGIAM agreed to purchase and China Cinda agreed to sell the non-performing loans in the aggregate principal amount of approximately RMB56.9 billion at a consideration of approximately RMB853.5 million (equivalent to HK\$803.6 million). Details of this transaction are set out in the circular of the Company dated 13 October 2004.

On 10 December 2004, SGIAM entered into an agreement to dispose 20% interest in the non-performing loans to CFPI at a consideration of an amount in US dollars equivalent to RMB227.6 million (equivalent to approximately HK\$214.5 million). The gain on the disposal amounted to approximately HK\$53.8 million. Details of the transaction are set out in the announcement of the Company dated 10 December 2004.

Share Capital

Details of movements during the year in the share capital of the Company are set out in note 36 to the financial statements.

Share Options

Details of movements in the share options of the Company during the year are set out in note 37 to the financial statements.

持作投資目的之物業

有關本集團持有作投資用途之物業於二零零四年十二月三十一日之詳情載於第106至108頁。

不良資產權益

於二零零四年九月十七日，銀建國際資產管理有限公司（「銀建資產管理」），本公司的全資附屬公司，與中國信達，股東之控股公司，簽訂一項收購不履約貸款的協議。據此，銀建資產管理同意購入而中國信達同意出售本金額約達人民幣569億元的不履約貸款，代價約為人民幣853,500,000元（相當於803,600,000港元）。有關交易的詳情已刊載於二零零四年十月十三日的本公司通函之內。

於二零零四年十二月十日，銀建資產管理簽訂一項協議籍以向CFPI以美元代價相當於人民幣227,600,000元（相當於214,500,000港元）出售不履約貸款的權益的20%。出售項目所得的收益為53,800,000港元。有關交易的詳情已刊載於二零零四年十二月十日的本公司公佈內。

股本

本公司之股本於年內之變動詳情載於財務報表附註36。

購股權

本公司之購股權於年內之變動詳情載於財務報表附註37。

Directors

The directors of the Company during the year and up to the date of this report were:

Zhu Dengshan	
Hui Xiao Bing	
Gao Jian Min	
Liu Tianni	
Gu Jianguo	
Chen Yongcun	
Cheung Chung Kiu	
Yuen Wing Shing	
Chow Kwok Wai	(appointed on 20 April 2004)
Kang Dian *	
Zhang Lu*	
Yang Bin	(resigned on 16 April 2004)
Hung Muk Ming*	(appointed on 23 December 2004)
Hu Jiandong	(appointed on 15 April 2004
(alternate to Yang Bin)	and resigned on 16 April 2004)

* Independent non-executive directors

The term of office of each director, including the independent non-executive directors, is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

In accordance with the provisions of the Company's Articles of Association, Messrs. Zhu Dengshan, Hui Xiao Bing, Gao Jian Min and Yuen Wing Shing retire by rotation and Mr. Hung Muk Ming retires at the forthcoming annual general meeting. Messrs. Zhu Dengshan, Hui Xiao Bing, Gao Jian Min, Yuen Wing Shing and Hung Muk Ming being eligible, offer themselves for re-election. The remaining directors shall remain in office.

No director being proposed for re-election at the forthcoming annual general meeting has a service contract, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事

年內及截至本報告刊發日期當日之本公司董事如下：

朱登山	
惠小兵	
高建民	
劉天倪	
顧建國	
陳永存	
張松橋	
袁永誠	
周國偉	(於二零零四年四月二十日委任)
康典*	
張璐*	
楊斌	(於二零零四年四月十六日辭職)
洪木明*	(於二零零四年十二月二十三日委任)
胡江東	(於二零零四年四月十五日(楊斌之替委任及於二零零四年四月十六日辭職)

* 獨立非執行董事

董事(包括獨立非執行董事)之任期為直至其根據本公司之公司組織章程細則輪值告退為止之期間。

按照本公司的組織章程細則的條文，於即將舉行的股東週年大會內朱登山先生、惠小兵先生、高建民先生及袁永誠先生須輪值告退而洪木明先生須於即將召開之股東週年大會告退。惟朱登山先生、惠小兵先生、高建民先生、袁永誠先生及洪木明先生均符合資格並願意膺選連任。其餘董事則繼續留任。

概無任何於即將舉行的股東週年大會膺選連任的董事與本集團訂有本集團毋須作出補償(法定補償除外)而不可於一年內終止的服務合約。

DIRECTORS' REPORT

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to rule 3.13 of the Rules governing the listing of securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The Company considers all of the independent non-executive directors are independent.

本公司已取得各獨立非執行董事根據香港聯合交易所有限公司證券上市規則（「上市規則」）3.13規定每年確認其獨立地位的確證函。本公司亦認為每位獨立非執行董事就本公司而言，其地位是獨立的。

Directors' Right to Acquire Shares or Debentures

Details of the share option scheme adopted by the Company on 26 June 1995 (the "Old Scheme") and the new share option scheme adopted by the Company on 27 May 2002 (the "New Scheme") are set out in note 37 to the financial statements.

董事購買股份或債權證之權利

本公司於一九九五年六月二十六日採納之購股權計劃（「舊計劃」）及本公司於二零零二年五月二十七日採納之新購股權計劃（「新計劃」）之詳情載於財務報表附註37。

Details of the outstanding share options granted to the directors and other employees of the Company under the Old Scheme and the New Scheme are set out below:

根據舊計劃及新計劃授予董事及本公司其它僱員之尚未行使購股權詳情呈列如下：

	Exercisable period 可予行使期間	Subscription price per share 每股認購價 HK\$ 港元	Outstanding as at 1.1.2004 於2004年1月1日 之尚餘數目	Exercised during the year 年內行使之數目	Lapsed during the year 年內失效之數目	Outstanding as at 31.12.2004 於2004年12月31日 之尚餘數目
Directors 董事						
Chen Yongcun 陳永存	25/07/2001-24/07/2011 07/06/2002-06/06/2012	0.535 0.700	2,000,000 5,000,000	— —	— —	2,000,000 5,000,000
Gao Jian Min 高建民	09/01/1997-08/01/2007 07/06/2002-06/06/2012	0.967 0.700	15,000,000 5,000,000	— —	— —	15,000,000 5,000,000
Gu Jianguo 顧建國	27/07/1999-26/07/2009	0.900	2,000,000	—	—	2,000,000
Liu Tianni 劉天倪	27/07/1999-26/07/2009 25/07/2001-24/07/2011 07/06/2002-06/06/2012	0.900 0.535 0.700	2,000,000 3,000,000 5,000,000	(2,000,000) (3,000,000) (5,000,000)	— — —	— — —
			39,000,000	(10,000,000)	—	29,000,000
Other employees 其他僱員						
	09/01/1997-08/01/2007	0.967	15,000,000	(15,000,000)	—	—
	27/07/1999-26/07/2009	0.900	16,000,000	(14,000,000)	(2,000,000)	—
	25/07/2001-24/07/2011	0.535	21,000,000	(18,000,000)	—	3,000,000
	07/06/2002-06/06/2012	0.700	55,000,000	(55,000,000)	—	—
			107,000,000	(102,000,000)	(2,000,000)	3,000,000
			146,000,000	(112,000,000)	(2,000,000)	32,000,000

During the year, no share options were granted to the directors and other employees under both of the Old Scheme and New Scheme.

Other than as disclosed above, at no time during the year was the Company or its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The weighted average closing price of the Company's shares immediately before the date on which the options were exercised was HK\$2.54.

Directors' Interests in Shares

As at 31 December 2004, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:—

Long position in underlying shares of the Company:

Name of director 董事姓名	Capacity 身份	Underlying shares pursuant to share options 購股權相關股份	Percentage of total issued share capital 佔全部已發行股本百分率
Chen Yongcun 陳永存	Beneficial owner 實益擁有人	7,000,000 (Note 1) (附註1)	0.40%
Gao Jian Min 高建民	Beneficial owner 實益擁有人	20,000,000 (Note 1) (附註1)	1.14%
Gu Jianguo 顧建國	Beneficial owner 實益擁有人	2,000,000 (Note 1) (附註1)	0.11%

年內並無向董事及其他僱員授出任何舊計劃及新計劃項下之購股權。

除上文所披露者外，本公司或其附屬公司概無於年內任何時間訂立任何安排，致使本公司之董事可藉購入本公司或任何其他法人團體之股份或債權證而得益。

於購股權被行使之前一日的本公司股份的加權平均收市價為2.54港元。

董事之股份權益

於二零零四年十二月三十一日，本公司董事及最高行政人員在本公司及其相聯法團（定義見證券及期貨條例第XV部（「證券及期貨條例」））的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條規定須予備存的登記冊所記錄或依據上市公司董事進行證券交易的標準守則通知本公司或香港聯合交易所有限公司（「聯交所」）的權益及淡倉如下：

本公司相關股份的好倉情況：

DIRECTORS' REPORT

Note:

1. These represents interests of options granted to the directors under the Old Scheme and New Scheme to acquire for shares of the Company, further details of which are set out in the section headed "Directors' Right to Acquire Shares or Debentures".

Save as disclosed above and in the section headed "Director's Right to Acquire Shares or Debentures" and "Major Shareholders", as at 31 December 2004, none of the directors or chief executives of the Company or any of its associates had any interest and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register as required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Company. None of the directors or their spouses or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporations, or had exercised any such right during the year.

Directors' Interests in Contracts

Other than as disclosed in the section headed "Connected Transactions" below, no contracts of significance to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Connected Transactions

A service agreement dated 28 December 2004 was entered into between Mr. Gao Jian Min ("Mr. Gao") and the Company. Pursuant to the terms and conditions set out therein, the Company agreed to employ Mr. Gao and Mr. Gao agreed to serve the Company as a managing director by providing the Company with the services as described in the service agreement for a term of three years from 28 December 2004 to 27 December 2007. The service agreement can be terminated by either party giving to the other not less than 3-months prior written notice.

附註：

1. 此等為根據舊購股權計劃及新購股權計劃授予董事的購股權權益以認購本公司股份，有關詳情載於「董事購買股份或債券之權利」部分。

除上述及於「董事購買股份或債券之權利」及「主要股東」部分所披露者外，於二零零四年十二月三十一日，本公司根據證券及期貨條例第352條置存的登記冊記錄顯示本公司董事或行政總裁概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）持有任何股份、相關股份或債權證的權益或短倉或根據上市規則所載上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉。於本年度董事或彼等的配偶或十八歲以下的子女，概無獲授予任何權利可認購本公司或其任何相聯法團的股本或債權證或曾行使任何該等權利。

董事之合約權益

除下文「關連交易」一節所披露者外，本公司或其附屬公司於本年終或年內任何時間，概無訂立於其中本公司之董事擁有（無論直接或間接）重大權益之重大合約。

關連交易

於二零零四年十二月二十八日高建民先生（「高先生」）與本公司簽訂一份服務協議。根據該協議所載之條款及條件，本公司同意聘請高先生而高先生同意受聘出任本公司董事總經理職務，由二零零四年十二月二十八日至二零零七年十二月二十七日止，為期三年，為本公司提供服務協議內所列之服務。該協議將可以經任何一方在給予對方不少於三個月之書面事先通知後終止。

For the year ended 31 December 2004, the Group entered into certain transactions as below:

- (1) On 3 February 2004, the Company has entered into a letter of intent with China Cinda (HK) Asset Management Co. Ltd. ("Cinda HK"), pursuant to which the Company has been appointed by Cinda HK to assist Cinda HK to deal with and/or to dispose of the assets of China Cinda, a holding company of a shareholder of the Company, up to an aggregate maximum amount of book value of HK\$5.0 billion for a term of two years up to 3 February 2006. Details of the transactions are set out in the announcement of the Company dated 4 February 2004.
- (2) On 2 March 2004, the Company entered into an agreement with Well Kent, a fellow subsidiary of a shareholder of the Company, pursuant to which Well Kent agreed to appoint the Company to deal in assets owned by Well Kent International (Macau) Company Limited, a wholly owned subsidiary of Well Kent and the Company will receive commission income and performance return. Details of the transaction are set out in the announcement of the Company dated 2 March 2004. The commission income and performance return received during the year amounted to approximately HK\$119,800,000.
- (3) On 15 April 2004, the Company entered into an agreement with China Cinda, pursuant to which the Company has been appointed by China Cinda to deal with and or to dispose of non-performing loans for a term up to 3 February 2006. Details of the transactions are set out in the announcement of the Company dated 15 April 2004.

截至二零零四年十二月三十一日止年度，本集團簽訂的若干關連交易如下：

- (1) 於二零零四年二月三日，本公司與中國信達(香港)資產管理有限公司(「信達香港」)簽訂一意向書，據此本公司獲信達香港委任協助信達香港於截至二零零六年二月三日止的兩年期間內處理及／或處置中國信達(為本公司一名股東的控股公司)賬面總額50億港元為限的資產。有關交易的詳情已刊載於二零零四年二月四日發出的本公司公佈內。
- (2) 於二零零四年三月二日，本公司與華建(為本公司一名股東的的同係附屬公司)簽訂一項協議，據此華建同意委任本公司協助華建處置華建國際(澳門)有限公司(為華建的全資附屬公司)名下擁有的不良資產並且本公司將可收取佣金收入和超收分成。有關交易的詳情已經刊載於二零零四年三月二日本公司發出的公佈內。年內收取的佣金收入和超收分成總額約119,800,000港元。
- (3) 於二零零四年四月十五日，本公司與中國信達簽訂一項協議，據此本公司獲中國信達委任協助中國信達於截至二零零六年二月三日止期間處理及／或處置若干不履約貸款資產。有關交易的詳情已刊載於二零零四年四月十五日發出的本公司公佈內。

DIRECTORS' REPORT

- (4) On 17 September 2004, SGIAM entered into an agreement of acquisition of non-performing loans (the "NPL Acquisition Agreement") with China Cinda, pursuant to which SGIAM agreed to buy and China Cinda agreed to sell the non-performing loans in the aggregate principal amount of approximately RMB56.9 billion at a consideration of approximately RMB853.5 million (equivalent to approximately HK\$803.6 million).
- (4) 於二零零四年九月十七日，銀建資產管理與中國信達簽訂一項不履約貸款收購協議（「不履約貸款收購協議」），據此銀建資產管理同意購入而中國信達同意出售本金總額約達人民幣569億元的不履約貸款，代價約為人民幣853,500,000元（約相當於803,600,000港元）。
- (5) On 17 September 2004, SGIAM entered into an agreement for management of non-performing loans (the "NPL Management Agreement") with China Cinda, pursuant to which China Cinda would manage the non-performing loans acquired by SGIAM from China Cinda and SGIAM would pay management fee and incentive bonus to China Cinda. During the year, the Company paid management fee of approximately HK\$18.5 million to China Cinda and no incentive bonus was paid to China Cinda.
- (5) 於二零零四年九月十七日，銀建資產管理簽訂一項不履約貸款管理協議（「不履約貸款管理協議」），據此中國信達將負責管理銀建資產管理從中國信達購入的不履約貸款並且銀建資產管理將向中國信達支付管理費及激勵分紅。於年內，本公司已支付中國信達管理費18,500,000港元而並無向中國信達支付任何激勵分紅。
- (6) On 17 September 2004, the Company entered into an agreement to guarantee to China Cinda the performance by SGIAM of its obligations under the NPL Acquisition Agreement and NPL Management Agreement at nil consideration.
- (6) 於二零零四年九月十七日，本公司與中國信達簽訂一項擔保協議，目的為擔保銀建資產管理履行不履約貸款收購協議和不履約貸款管理協議項下的責任，擔保不涉及任何代價。
- (7) On 20 September 2004, the Company entered into a convertible note subscription agreement with a shareholder, Catic Limited, pursuant to which the Company agreed to issue and Catic Limited agreed to subscribe, convertible note in the principal amount of HK\$440 million in cash. The convertible note was issued on 23 November 2004.
- (7) 於二零零四年九月二十日，本公司於一名股東即Catic Limited簽訂一項可換股票據認購協議，據此本公司同意授礎而Catic Limited同意認購一份本金額440,000,000港元的可換股票據。該份可換股票據已經於二零零四年十一月二十三日發出。

Details of the transactions in paragraphs 4 to 7 above are set out in the circular of the Company dated 13 October 2004 and approved at the extraordinary general meeting of the Company held on 2 November 2004.

The independent non-executive directors of the Company have reviewed and confirmed that:

- (a) the above connected transactions have been entered into by the Group in the ordinary and usual course of business;
- (b) the above connected transactions have been entered into on normal commercial terms and on an arm's length basis, and where there is an agreement governing such transactions, such transactions have been carried out in accordance with the terms of the agreements governing such transactions, or if there is no such agreement, the transactions have been entered into on terms no less favourable than terms available to or from independent third parties;
- (c) the above transactions have been entered into on terms that are fair and reasonable as far as the shareholders are concerned; and
- (d) the total value of the respective transactions did not exceed the respective maximum amount as specified by The Stock Exchange.

上述第4至7段所述交易的詳情已經刊載於二零零四年十月十三日發出的本公司通函內並已於二零零四年十一月二日舉行的本公司特別股東大會內通過。

本公司之獨立非執行董事已經審閱並確認：

- (a) 上述關連交易為本集團在一般性和正常的業務範圍內所簽訂的；
- (b) 上述關連交易以通過公平協商後以標準的商業條款簽訂，並且如果項下的交易須受制於一項協議的約束，該等交易已經按照該約束協議的相關條款進行，或如果並無此約束性協議制約，該等交易是以條件不低於可與獨立第三者達成或訂立的條款簽訂；
- (c) 上述交易是以公平和合理的條款簽訂，相對股東而言；及
- (d) 有關各項交易的總價值並無超出聯交所指定的各自的最大金額。

DIRECTORS' REPORT

Major Shareholders

As at 31 December 2004, persons other than a director or chief executive of the Company, having interest in 5% or more of the issued share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Long positions in shares and underlying shares of the Company as at 31 December 2004:

主要股東

於二零零四年十二月三十一日，在本公司根據證券及期貨條例第336條規定須予備存的登記冊所記錄所顯示，本公司董事或最高行政人員以外的人仕擁有佔本公司已發行股本5%或以上的權益如下：

本公司股份及相關股份的好倉於二零零四年十二月三十一日的情況：

Name of major shareholder 股東名稱	Capacity 身份	Number of ordinary shares 股份數目	Underlying Shares 相關股份	Total interests 權益總額	Percentage of the issued share capital 佔全部已發行 股本百分比
Silver Grant International Holdings Limited	Beneficial owner 實益擁有人	127,170,022	—	127,170,022 (Note 1) (附註1)	7.23%
China Cinda Asset Management Corporation 中國信達資產管理公司	Interest of controlled corporation 受控制法團的權益	341,448,000	200,000,000 (Note 2) (附註2)	541,448,000 (Note 3) (附註3)	30.79%
Citigroup Inc.	169,450,000 shares as beneficial owner, 4,317,000 shares as approved lending agent and 138,813,559 underlying shares as beneficial owner 169,450,000股屬實益擁有人，4,317,000股屬核准借出代理人及138,813,559相關股份屬實益擁有人	173,767,000	138,813,559 (Note 4) (附註4)	312,580,559	17.77%
J.P. Morgan Chase & Co	75,550,000 shares as investment manager and 18,000,000 shares as approved lending agent 75,550,000股屬投資經理及18,000,000股屬核准借出代理人	93,550,000	—	93,550,000 (Note 5) (附註5)	5.32%

Notes:

- Messrs. Hui Xiao Bing and Gao Jian Min, both of whom are directors of the Company, each has a 30% interest in Silver Grant International Holdings Limited as at 31 December 2004.
- These represents the interest in convertible note in the principal amount of HK\$440 million pursuant to which a total number of 200,000,000 new shares will be issued upon full exercise of the conversion rights attaching thereto at the initial conversion price of HK\$2.20 per share.

附註:

- 惠小兵先生及高建民先生彼等均為本公司董事，於二零零四年十二月三十一日各自擁有Silver Grant International Holdings Limited 30%權益。
- 此等為本金總額440,000,000港元之可換股票據權益，據此按初步換股價每股2.20港元全面行使該可換股票據所附換股權後將會發行合共200,000,000股新股份。

3. The following is a breakdown of the interests in shares of the Company held by China Cinda Asset Management Corporation:

3. 以下為中國信達資產管理公司所持有本公司之股份權益細節：

Name of controlled corporation 受控法團名稱	Name of controlling shareholder 控權股東姓名或名稱	Percentage of control 控制百分率	Total interest in shares 股份權益總數	
			Direct interest 直接權益	Deemed interest 當作持有的權益
Well Kent International Investment Company Limited 華建國際投資有限公司	China Cinda Asset Management Corporation 中國信達資產管理公司	100%	—	541,448,000
Catic Limited	Well Kent International Investment Company Limited 華建國際投資有限公司	100%	541,448,000	—

4. These represents the interest in convertible note in the principal amount of US\$52,500,000 pursuant to which a total of 138,813,559 new shares will be issued upon full exercise of the conversion rights attaching thereto at the initial conversion price of HK\$2.95 per share.

4. 此等為本金總額為52,500,000美元之可換股票據權益，據此按初步換股價每股2.95港元全面行使該可換股票據所附換股權後將會發行合共138,813,559股新股份。

5. The following is a breakdown of the interests in shares of the Company held by J.P. Morgan Chase & Co:

5. 以下為 J.P. Morgan Chase & Co 所持有本公司之股份權益細節：

Name of controlled corporation 受控法團名稱	Name of controlling shareholder 控權股東姓名或名稱	Percentage of control 控制百分率	Total interest in shares 股份權益總數	
			Direct interest 直接權益	Deemed interest 當作持有的權益
JP Morgan Chase Bank, N.A.	J.P. Morgan Chase & Co	100%	18,000,000	—
JF Asset Management Limited	J.P. Morgan Fleming Asset Management (Asia) Inc.	99.99%	75,550,000	—
J.P. Morgan Fleming Asset Management (Asia) Inc.	J.P. Morgan Fleming Asset Management Holdings Inc.	100%	—	75,550,000
J.P. Morgan Fleming Asset Management Holdings Inc.	J.P. Morgan Chase & Co.	100%	—	75,550,000

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2004.

除上文所披露者外，根據證券及期貨條例第336條規定須予備存的登記冊所示，本公司並無接獲任何有關於二零零四年十二月三十一日在本公司股份及相關股份中擁有權益或短倉的申報。

DIRECTORS' REPORT

Major Customers and Suppliers

The Group's turnover comprises rental income from leasing of properties, dividend income from investments in securities, income from property management and the gross proceeds received and receivable from trading of securities, income from sales of properties, income from recoveries of distressed assets, commission income and performance return of dealing in distressed assets.

The aggregate amount of purchases and turnover attributable to the Group's five largest suppliers and customers were less than 30% of the Group's total purchases and turnover for the year.

Purchase, Sales or Redemption of the Company's Listed Securities

During the year, the Company has repurchased US\$0.2 million convertible bonds at a consideration of approximately US\$0.3 million. The convertible bonds were cancelled upon repurchase.

Other than as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

Corporate Governance

The Company has throughout the year complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that during the period from 1 October 2004 to 22 December 2004, the number of independent non-executive director of the Company was two.

The Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "model code"). Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

主要顧客及供應商

本集團之營業額包含出租物業之租金收入、證券投資之股息收入、物業管理收入及買賣證券之已收及應收款項總額，物業銷售收入，處置回收不良資產收入，處置不良資產佣金及超收分成收入。

年內，本集團於五大供應商及顧客之累積採購額及銷售額分別佔本集團之總採購額及總銷售額不足30%。

購買、出售或贖回本公司之上市證券

年內，本公司以約300,000美元代價回購買本金額200,000美元的可換股債券。有關可換股債券於回購時已予以註銷。

除上述所披露者外，本公司或其任何附屬公司概無於年內購買、出售或贖回本公司之任何上市證券。

公司管治

除於二零零四年十月一日至二零零四年十二月二十二日期間本公司獨立非執行董事人數為二名外，本公司於年內一直遵守上市規則附錄14所載的最佳應用守則之規定。

本公司已採納上市規則附錄10所載的標準守則為董事進行證券交易之行為的守則。經向所有董事作出特定查詢後，本公司確認，全體董事均已遵守守則所載規定標準。

Audit Committee

The Audit Committee has reviewed, with the management and the auditors, the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters of the Group. The Audit Committee has also reviewed and approved the financial statements of the year ended 31 December 2004.

The members of the Audit Committee comprise Mr. Kang Dian, Mr. Zhang Lu and Mr. Hung Muk Ming, all of them are independent non-executive directors of the Company. The chairman of the Audit Committee is Mr. Kang Dian.

The Audit Committee has reviewed with the management and the Company's auditors the accounting principles and the practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the financial statements for the year.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this report, there is sufficient public float, as not less than 25% of the Company's issued shares are held by the public.

Closure of Register of Members

The register of members will be closed from (Monday) 23 May 2005 to (Thursday) 26 May 2005, both days inclusive, during which period no transfers of shares will be effected.

In order to qualify for the proposed final dividend and to determine the identity of the shareholders who are entitled to attend and vote at the annual general meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrars of the Company, Secretaries Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 20 May 2005.

審核委員會

審核委員會會同管理層及核數師已經審閱了本集採納使用的會計準則及實務並且就本集團的審計、內部監控及財務匯報制度等事宜進行了討論。審核委員會亦已審閱了並接納截至二零零四年十二月三十一日止的財務報表。

審核委員會成員包括康典先生、張璐先生及洪木明先生，彼等均為本公司之獨立非執行董事。審核委員會的主席為康典先生。

審核委員會已經與管理層人員及本公司核數師共同審閱本集採納使用的會計準則及慣例，並已就本集團的審計、內部監控及財務匯報事宜（包括年內的財務報表）進行討論。

公眾持股量

在本年度報告刊發之日，根據本公司取得的公開資料及就董事會所知悉，於本公司的公眾持股量是足夠的，此乃因為公眾持股量並不少於本公司已發行的股份百分之二十五。

暫停辦理股份過戶登記

本公司將於二零零五年五月二十三日（星期一）起至二零零五年五月二十六日（星期四）止（包括首尾兩天）期間，暫停辦理股份過戶登記。

為符合獲派建議股息的資格及確定有權出席股東週年大會及投票之股東，所有填妥的過戶表格連同有關股票須最遲於二零零五年五月二十日（星期五）下午四時三十分交回本公司之股份過戶登記處秘書商業服務有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下。

DIRECTORS' REPORT

Post Balance Sheet Event

Details of a significant event occurring after the balance sheet date are set out in note 48 to the financial statements.

Auditors

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

By order of the Board

ZHU Dengshan

Chairman

Hong Kong, 15 April 2005

資產負債表日後事項

有關資產負債表日後發生之一項重大事項的詳情載於財務報表附註48。

核數師

有關續聘德勤•關黃陳方會計師行為本公司核數師之決議案將於本公司之股東週年大會上提呈。

承董事會命

主席

朱登山

香港，二零零五年四月十五日